



HOUSE OF COMMONS

Speaker's Committee for IPSA

Oral evidence: IPSA's Main Estimate and Corporate Plan 2022-23

Tuesday 1 March 2022

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Members present: Sir Lindsay Hoyle (Chair); Ms Cindy Butts; Chris Bryant; Thangam Debbonaire; Jackie Doyle-Price; Marion Fellows; Theresa Middleton; Mark Spencer; Sir Desmond Swayne; Sir Charles Walker.

Questions 1-30

Witnesses

I: Richard Lloyd, Chair at the Independent Parliamentary Standards Authority (IPSA), and Ian Todd, Chief Executive at the Independent Parliamentary Standards Authority (IPSA).



Examination of witnesses

Witnesses: Richard Lloyd and Ian Todd.

Chair: Welcome to the meeting of the Speaker's Committee for IPSA. We are here today to consider IPSA's main estimate for 2022-23. Richard and Ian, could you introduce yourselves for the record?

Richard Lloyd: Thank you, Mr Speaker. I am Richard Lloyd, chair of IPSA.

Ian Todd: Thank you, Mr Speaker. I am Ian Todd, chief executive and accounting officer of IPSA.

Q1 **Chair:** Before we begin the main questioning, could you summarise your main estimate? I don't know whether you both want to do this or just one of you.

Richard Lloyd: Thank you, Mr Speaker. First of all, I would like to welcome the new members of the Committee—we look forward to working with you—and to put on the record our thanks to Shrinivas Honap for his work in SCIPSA. His term ended in January, I believe.

Before I move on to our proposed estimate, Mr Speaker, I would like to inform the Committee about the IPSA board's decision on MPs' pay for the coming year. As you know, IPSA has a legal duty to set MPs' pay, independently of Parliament and Government. Our role is to ensure that MPs are properly remunerated for the important role they undertake in our democracy, whilst also being fair to taxpayers. IPSA's board has decided that the annual adjustment to MPs' basic pay for '22-23 will be the same as the average increase in pay for public sector employees last year. This will result in an increase of 2.7% from 1 April 2022. It is the first increase, as you know, for two years. Pay remained unchanged in '20-21 due to the coronavirus pandemic. This reinstates the decision by IPSA in 2015 to adjust MPs' pay at the same rate as changes in public sector earnings, published by the Office for National Statistics. Tracking public sector pay in this way is also used elsewhere—for example, in Scotland. We have also compared pay to that of MPs in other G7 economies.

Providing MPs with an increase this year, reflecting the approach across the public sector, means that we avoid the situation where MP pay falls behind and requires more significant adjustment in the future to catch up, as happened in 2015. We don't believe that serving as an MP should be the preserve of those wealthy enough to fund it themselves. It is important for our democracy that committed and able individuals from any background should see representing their communities in Parliament as a realistic option.

Mr Speaker, I will move on now briefly to update the Committee on our progress over the last year and our plans and estimate for next year. Since the Committee endorsed our three-year plan a year ago, we have laid the foundations for a more efficient and effective approach that



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enables MPs and their 3,500 staff to focus on what really matters—serving constituents. We have maintained the very high level of compliance with the rules—in excess of 99.5%. We have improved our responsiveness to the major challenges faced by constituents and local offices—for example, Covid, of course, and Afghanistan. Internally, we have redesigned the organisation so that there is a regionalised approach, with a significant improvement in both service user satisfaction and IPSA staff engagement.

Regarding our plan for next year—in addition to our day-to-day work, of course, of funding the pay, offices and accommodation for MPs and staff—we have set out priorities that include security; we plan to transition security arrangements to the House. On pensions, we intend to go ahead with implementing the McCloud remedy. On IPSA Online, we will continue to improve the digital system, making it more user-friendly. And we will carry out a major review of how we regulate as we move towards a new approach for 2024.

We have already announced, with the Committee's agreement, that we will carry forward the staffing budget uplift that we introduced in response to the significant increase in demand for help from MPs due to Covid. For our estimate, that is the most significant variation to the staff budget.

For IPSA's own costs, we are strongly committed, as you know, to improving our own value for money, reducing our budget by nearly £600,000, or 5%, after absorbing inflationary pressures and a pay award. Within that, we are continuing to invest in the organisation, as I have said, to help relieve the administrative burden on MPs' offices.

Mr Speaker, we have made progress; we know there is much more to do. We are not complacent, but I hope the Committee will be able to see that we have started to deliver what we committed to doing when we met last year. Thank you.

Chair: Thank you. Ian, is there anything you wish to add?

Ian Todd: No, thank you, Mr Speaker.

Chair: Right. I will open up the questions. Jackie, can I come to you?

Q2 **Jackie Doyle-Price:** Thank you for your opening comments, which I think set out the context extremely well. However, as an opening question, could you explain to us what is driving the forecast underspend of approximately £20 million for the current year, and why you didn't declare that through a supplementary estimate?

Richard Lloyd: Every year, as you know, we have to make assumptions about take-up of, for example, security measures. We had a significant impact on our budgets due to Covid. Some of the uptake was significantly less than we expected. As we get back to normal and as we get back to people working in offices and being in the House more often, then we expect our forecast to be back in line with what we have set out. So, it was unusual; it was an unusual year. It's an underspend and we expect



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our forecasting to be more accurate this year, obviously taking into account inflationary pressures.

- Q3 **Jackie Doyle-Price:** Obviously, you are having to make judgments about 650 separate accounting units, so I can appreciate the difficulty. Did you consider utilising that underspend to help fund the demands for this year?

Richard Lloyd: We have, where we can, made sure that all of those budgets have been taken up—for example, as you know, through helping staff to work from home, ensuring that staff are able to work safely because of Covid. Again, some of the costs are outside of our control but aren't capped—for example, security. We have been working with the House to make sure people are aware of what is available and to encourage take-up. So, yes, demand is not entirely in our control, but we have done what we can to make sure that that budget that is available is used effectively and to the full. Ian, I don't know if you want to add anything?

Ian Todd: I think there are also circumstances, Jackie, that have arisen during the course of the year where we have been more responsive than perhaps we have been in the past. I would flag particularly the increase in casework volumes that certain constituencies saw around Afghanistan, in particular. We developed our contingency process into a quick, streamlined process to be able to spend some of that money and support those MPs who were seeing large rises in casework, which is probably a more fleet-of-foot approach than we have taken previously. So I would endorse what Richard said about trying to utilise that underspend.

It is also important, of course, to reflect that, as an estimate process, we only draw down the money from Treasury that we actually spend, as opposed to taking the money and then giving it back. It is a slightly different context.

- Q4 **Jackie Doyle-Price:** Sure. I suppose that the headline point is about the pay, and you set out very clearly why you reached the decision about 2.7% for MPs, the factors that you considered, the benchmarks and so on. But you will appreciate that, again, the background is of a very difficult couple of years, and MPs' pay is never a popular subject—we are always in the firing line for it. Could you say a little bit more about how that 2.7% compares to other public sector pay rises over the last two years?

Richard Lloyd: Obviously, this is never the most popular decision to make, and that is exactly why IPSA was set up—to make the decision independently, with no influence from the Government or Members themselves.

This is the first increase for MPs' pay in two years. We looked very hard at the metric that we have tracked in previous years, since 2015. Last year, in addition to the public sector pay freeze policy, those metrics were in disarray, because of the unique economic circumstances.



Towards the end of the last calendar year, those statistics and that data settled down. It is now credible. It is a lagging indicator—it shows the average increase in earnings for last year. It is not what is coming—not what is forecast to come. Using that metric means that next year the pay award, if we continue with that approach, will reflect what is coming through the pipeline now into the public sector.

Many public sector pay awards haven't been settled yet. We have understood the position in other parts of the public sector as best we can. Obviously, senior civil service pay and so on hasn't been announced either. That is why it actually makes sense to use a lagging indicator, which means we will be catching up again next year. It is a credible approach that we have now used for six years, and we thought it was the right time to switch that approach back on.

- Q5 **Sir Desmond Swayne:** The budget for capped accommodation is going up by 5.5%. You have already taken on a RICS-funded accredited surveyor and you are also looking at the needs of MPs through a specialist property services organisation. What do you anticipate are going to be the efficiencies and savings that are going to arise from those two studies?

Richard Lloyd: What we want to explore is to what extent we can take the strain out of setting up—negotiating leases—for MPs, particularly new MPs, who may never have had experience of doing that before. There are obviously requirements and guidance that we have had in place for how that budget needs to be used. There are sometimes disputes with landlords. There are sometimes clauses in contracts that aren't as good as they could be. What we have started doing is offering that expertise as a central service, to help people get the best possible value, and the most secure, accessible, appropriate accommodation in their local area, using that expertise. We are not insisting that everyone uses it, but it is one of the ways in which IPSA can help MPs and their office managers secure what they need, with some extra help, that then, in turn, later on, reduces the likelihood of problems that cause us quite a lot of administrative and sometimes financial cost.

- Q6 **Sir Desmond Swayne:** But as you are taking on centrally these costs of making life more agreeable for Members of Parliament, do you anticipate that the expertise of an organisation doing that on your behalf will produce savings from MPs doing it all individually and charging you accordingly?

Richard Lloyd: Yes. Ian?

Ian Todd: I think there are savings in two regards, Sir Desmond. We are already aware that the prices paid for RICS surveys vary considerably between individual MPs, when they contract directly. We think we can create savings by ensuring that that is commissioned centrally for a single, lower price.

The other efficiency—this is something we are very conscious of, given the feedback of MPs and their staff—is the amount of time that they currently



spend doing IPSA-related activities. Taking that away from them, so they don't need to go through that procurement exercise to find a surveyor, and supplying that directly to them, will save their time so that they can devote it to things that we think are more important. It reduces the administrative burden. The amount of time that MPs' staff take is important to us.

Chair: Can I just add that there would be a saving? What we have found is that new Members come in, take bad leases out, have inappropriate offices. Then they change the office again. We then put the security measures in again. It is this roll-over whereby they could have three or four offices within one term of Parliament, and the taxpayer has been kitting them out. If they had got the appropriate office and the right advice in the beginning, that is where the savings would come.

Q7 **Sir Desmond Swayne:** Your own staff costs will go up by almost a fifth. That is a small exaggeration—it is 18.6%, which is almost a fifth. I understand that that is due to the fact that there were a number of vacancies that were not filled the last year, so now those costs will be met. That begs the question: how did you manage without all those staff, and do you really need them? What were the roles that were not filled?

Richard Lloyd: I would just like to say that IPSA staff have been working extremely hard, often remotely, at a time when there has been increasing pressure on the organisation. As we were saying earlier, we have tried to step up and be more responsive, and we have been reorganising, so there has been a lot of pressure on people. Some people have left, and we have a new regional structure for supporting MPs' offices. There has been a lot of change, and there has been some churn. We brought in some expertise that was lacking—for example, in contract procurement. It has been a tough year to recruit new people, but on our budget last year, we are flat, if not coming down. On the spend and the out-turn, as you say quite rightly, there is an increase.

Ian Todd: It is important to reflect that the increase over the budget from last year is much smaller—3.9% rather than 18.6%. Obviously, last year we presented a three-year transformation plan, which the Committee was able to endorse for us. That involved a number of new roles. Simply through the pandemic, the length of time that it took to recruit those additional staff and get them started was longer than we would like. We have also increased our staffing costs in some areas where we think that is better value for money, rather than spending money on consultancy or specialist services. For our legal services bill, we believe that having somebody in-house in a general counsel role will be more cost-effective than outsourcing to a private legal firm over the course of the year.

Sir Desmond Swayne: Thank you.

Q8 **Mark Spencer:** During the pandemic, it is fair to say IPSA was pretty supportive. As MPs' casework went through the roof, you increased the staffing budgets to help accommodate that. Clearly, you have now absorbed that into the general budget for next year. Is that now the new



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baseline? Can we count on that rolling forward?

Richard Lloyd: Thank you, Mark. We have signalled that, as you may have seen when we announced this. We preannounced this, with the Committee's agreement, before Christmas, because there was a need to give people certainty before short-term contracts came to an end. But we have made it clear that we now see this as the baseline for the size of the staffing budget for the rest of this Parliament. Through the next couple of years, we will be getting much more information and data about how that has worked and what pressures there remain, particularly on casework. We heard and saw a lot of evidence about the pressure on staff in constituency offices and the pressure on people's wellbeing. We felt that it was right to give people certainty for the next period before the next election, but we do not anticipate coming back and saying that we think it is right to increase the size of staffing budgets until after we have reviewed this and after the next election.

Q9 **Mark Spencer:** So what you are saying is that there will not be an inflationary rise on that staffing budget rolling forward before the next general election.

Richard Lloyd: Within the current economic circumstances, we will look at inflationary pressures, as we do every year. But the additional funding for what we have put in is the average cost of a caseworker per annum. We see that uplift as the end for this year, but we will look at inflationary increases every year in the normal way.

Q10 **Mark Spencer:** So staff will presumably have pay increases as well at some point as we go forward. Do you use the same metrics when you are looking at where to set staff salaries as you do with MPs'?

Ian Todd: To an extent, yes. It is important to recognise that we set the salary banding for MPs' staff and we are in the process of recruiting a pay specialist so that we can, over the course of the coming period, take a more wholesale review of MPs' staff and how they benchmark against other comparable roles. That is a piece of work that we will be taking forward. In terms of pay awards for individual members of staff, that is a matter for MPs as the employer. We have built into the budgets for next year a 3% increase, to allow for a cost of living rise. As it ran very successfully last year, it would be our intention to automatically apply that 3% for all MPs, unless they choose to opt out because they wish to do something different. It is worth saying for the record that, in the main, where MPs did choose to opt out in previous years, that was not because they were necessarily giving their staff less than the increase in the budget. It was often because they were choosing to give their staff more, as special recognition for extra work that they had undertaken.

Q11 **Mark Spencer:** Moving on to security: you are increasing the budget by 4% in terms of the costs that you are incurring. It strikes me that is probably a real-terms cut in the budget for security, if inflation is higher than 4% at this moment. Given all the publicity around MPs' security, and the heightened awareness of that, is that the right figure?



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Ian Todd: We think it is at the moment. The 4% is obviously based on our expectation and forecasts of inflation over the course of the coming year. That is the assumption from the Bank of England, and others, about where that will come to rest. Obviously, it is higher than that at the moment.

I think it is fair to say that following the tragic murder of Sir David Amess there is a wholesale review of security provision; we are working very closely with the House and with MSSS about how security arrangements will work going forward. We are looking at whether the current universal offer, particularly around accommodation and office security, is right, or whether we should be moving to a more risk-based approach. With that comes the prospect that funding for security may need to change. We are not the experts in security; we are the experts in managing the financial aspects of that security. The actual need for specialist security rests with the House and with people who are expert in that field, and we will be guided by them. That is one area where it is possible that we may need to come back with a supplementary estimate further into the year. However, some of the feedback from the House at the moment is that by tailoring security provision on a more risk-based approach, the overall cost may not be more than it currently is.

Q12 **Mark Spencer:** There must be lots of challenges, because obviously MPs have been very sensitive about it. When an event such as that takes place, we all suddenly start to think about our own security. That must have caused quite a bit of challenge to you guys; what has been the most difficult part of the process of managing MPs and their expectations?

Richard Lloyd: It has clearly been an extraordinary year in that way, with security concerns so acute. We do have an overly complicated system; we have local policing recommendations, as well as national, we have the House security teams and we have IPSA putting in the funding. Sometimes, just explaining that, and asking Members to engage with that complicated landscape—under pressure and under threat—has been difficult. That is exactly why we need to tidy up those arrangements and make them much clearer and much more responsive and based on expert advice from the police.

What we have also done is to ensure that the office budgets can respond to small purchases of security equipment. We have been ensuring that the IPSA accommodation teams are acutely sensitive to and acutely aware of the pressures that MPs and their staff have been under, but we have needed to step back and think, along with the House and a new contractor, whether this is the right set of arrangements—can we simplify this so that it is more responsive and less complicated for everyone?

Q13 **Mark Spencer:** Will taking the admin in-house improve things? Will it make things better or worse?

Richard Lloyd: It needs to improve things. Fewer decision makers at different points in the security arrangements ought to be better, both from



a value for money point of view and also, most importantly, from the security point of view.

- Q14 **Sir Charles Walker:** Just an observation on staff. I would like to thank you for all the support you have provided over the past two years. Every challenge, every international crisis, ends up in the inbox of a Member of Parliament, and that is on top of all the domestic issues we deal with, such as housing, health and social care. Our staff deal with that, and often with some very frustrated, angry and direct people.

One of the things Mr Speaker is doing to help you is working on beefing up our House services, to ensure that our staff are better supported. I know you have Mr Bridges behind you, who has been seconded from House services over to IPSA. It is really important that we remember that our staff are doing an incredible job, often with very demanding people. We need to ensure that their experience here is a good experience, and that we don't lose them every 18 months. From your own metrics, turnover of MPs' staff is quite high. Would I be correct in thinking that?

Richard Lloyd: That is right, Charles, and thank you. We do need to be much louder in recognising that the vast majority of what IPSA is funding is casework for constituents. You know better than I do that that is the vast bulk of what MPs do. That is often hidden and it is not well known, but the demands have been extraordinarily high over these last two years, and look like they are remaining so. We need to recognise that and ensure that we can help MPs to be good employers, and that there is good support for people under really extreme pressure, at a time when other advice services are also struggling in constituencies as well.

I think it has been the right thing to do. Again, it is not always a popular decision to take, but that is why you have an independent IPSA to do that.

- Q15 **Sir Charles Walker:** Thank you. Coming on to the vexed issue of McCloud, over the weekend I read the 290 pages attached to the MP pension scheme. I understood a proportion of those pages, but not all of them. Am I right in thinking that because it is such a complex scheme in settling McCloud and in ensuring that it is legally watertight, and that the right information is being given to Members of Parliament, you have to seek professional advice, at a cost?

Richard Lloyd: We have provided for that in the estimate. We have asked and got agreement with the pension scheme trustees that we work together on this. It is important that we get this legally watertight, as there are tax implications.

There are a number of different ways of implementing a McCloud remedy. We want to be fair and to get this right, within the right timeframes. So yes, we have provided for some specialist help to do this with us and we have agreed with the pension trustees an arrangement for governing that work, so that there is joint oversight between us, as the funders, and the trustees, with their responsibility.



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We are acutely aware of the need for information and support for people making quite complicated decisions, but it is the right thing to do. We need to do it really well.

- Q16 **Sir Charles Walker:** I am not going to hold you to it, but am I right in thinking that the ambition for the output date is 31 March 2023? That will be the point when the McCloud remedy can be implemented and the time when Members will be asked to make a choice.

Richard Lloyd: We are looking at the consultation responses this week, so I cannot give you an absolute assurance on that. What we have consulted on, and what we think is probably the right thing to do, is to tie the remedy near to a general election, as best we can. As you know, that is the moment when Members may be thinking about their futures and their pensions, and engaging with that in way that they might not otherwise do. Deferring the decision indefinitely brings a huge amount of complexity and potentially cost, so we will announce where we are arriving at in terms of a date, but I would expect it to be close to a general election.

- Q17 **Sir Charles Walker:** I am not being unnecessarily modest when I say that I did not understand the 290 pages, because that will become evident when you get my response to your consultation.

Richard Lloyd: Any responses are welcome, Charles. I am deeply interested in financial services, as you know, and I am looking forward to meeting our experts to help us through this.

Sir Charles Walker: Thank you.

- Q18 **Theresa Middleton:** I would like to ask you about the March 2021 annual survey of MPs and their staff. It is obviously one of your key output measures of how the service is being received by those who use it. Only a little more than a third of respondents in the March 2021 survey—of those who responded, which was not by any means all of the people who could have responded, which is itself interesting—rated IPSA's performance as "good" or "very good". How do you feel about that? I know that survey is a year old, so there might be some better news coming. Would you like to say something about how you are dealing with that?

Richard Lloyd: I will hand over to Ian in a second, but the culture that we are trying to instil in IPSA is to understand and to respond to our service users. For a number of reasons, that confidence, that trust and that engagement with IPSA—that satisfaction with the services that we provide—fell off a cliff a couple of years ago. It will take us some time to win that back, but we have had a significant improvement in satisfaction, which we have reported. It was down at 25% in 2020 and 2019.

There are clear signals from that survey of where there is still dissatisfaction with the service that is being provided. Any good organisation wants to understand how its users, its customers, its consumers, respond to the service that it provides and where we can



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improve it, based on that, as best we can. It is at the centre of our change programme to make the organisation a better one. It is not good enough yet, but it is improving.

Ian Todd: I hope there is more positive news. The most recent survey results—the survey that we have just conducted—have seen a broadly 50% increase in the number of MPs and their staff responding to the survey, which is still a much lower percentage than we would like. It is something that we would very much encourage you to advocate for next time the survey comes around, to get as many people to complete it as possible.

Among that 50% increase in respondents, we saw a 17% increase in those rating our services “good” or “very good” in the past 12 months, which is a cumulative 27% improvement over the past two years. I acknowledge that that is starting from a very low base, but even starting from a low base, a 27% improvement in satisfaction over two years is, I think, something of which the staff at IPSA would be quite proud.

Perhaps more importantly, among proxies, who are those members of staff who tend to deal with us on a more day-to-day basis—they have the greatest level of engagement with us and, to an extent, of frustration with us—we saw a 26% improvement in those rating our services “good” or “very good” last year alone. So, some positive progress, but as Richard said, I am by no means complacent.

There is still a lot more that we need to do, and many of the narrative responses that we got in that survey point us in the direction of progress and to the areas where we still need to do better. As a general direction of travel, I think those numbers are very encouraging.

- Q19 **Theresa Middleton:** Will you say a little more about what you see as the areas that are most critical to tackle to improve the user experience? How do you plan to measure the impact of the things that you are doing to push them in the right direction?

Ian Todd: From the MPs’ perspective, probably the biggest frustration remains the IPSA Online system implemented a couple of years ago. It is a system that can be complex to use. It is a system that works well for IPSA, when we are in effect consolidating the accounts of 650 MPs and 3,500 staff members; it works less well for each individual. I don’t mean this in a pejorative sense but, if you were to visit each MP’s office as a small business, with an MP and four or five members of staff, it is a system that is often seen as overly complex and cumbersome for them to operate at that scale.

We have invested in that during the year just coming to an end. We have upgraded IPSA Online, which is pretty much behind the scenes at the moment. We have made some changes and upgrades that allow us to make more user-facing improvements, going forward. The important thing for us, which I hope is contained in the feedback from the survey, is that the improvements we are making now are not the improvements that we



think that MPs and their staff need. We are talking to MPs and their staff, and they are telling us what they need, and we are making the changes to IPSA Online that they request. We are involving them in the design, development and testing, so that they are confident that they are getting the sort of reporting and accessibility that they want.

The survey will continue to be an important part of that feedback, but we do need better metrics, and it can be challenging to collect those metrics across 650 offices. One of the key indicators that I would see, as I mentioned to Sir Desmond, is the reduction in MPs' staff time that they commit to undertaking IPSA-related activities, which we think is too high and needs to decrease significantly.

Q20 Theresa Middleton: Just a final question on that. In the training that you are going to offer to induct and train MPs and their staff in the year ahead, what are you going to do differently that will reduce that need for time taken chasing things up, or getting things not quite right to start with?

Ian Todd: I think we have already started to develop that. We have started to run far more online workshops, in terms of number, quality and content, to induct people and explain the route through the parliamentary life cycle, from the point of an MP getting elected, through the day-to-day activity, to ultimately when somebody leaves, and the necessary steps. The feedback on those workshops has been very positive.

Of course, we have been constrained over the past 12 months, in the way many of us have, around Covid and having to deliver those remotely. We can start to look now at delivering those in face-to-face sessions. It is also important, from the other side, that when we induct our own staff at IPSA that we send them out into constituencies to spend time with MPs, see how offices operate and understand the pressures, the complexities and the way the system is working from the other side. There is quite a significant shift, and it is part of the cultural shift and transformation plan to move to a much more supportive function, to help MPs and their staff to get things right first time.

Q21 Thangam Debbonaire: I am going to move seamlessly into the cost of all that you just mentioned. It will come as no surprise to you two to know that what you said is welcome news. IPSA Online is one part of my job that my staff tend to duck when they say, "You need to look at IPSA Online", because they know that I am going to look at them sternly.

Could you tell me a bit more about why the IT costs are going to go up by 34%? How is that going to translate into those things that you just described? Such as, if you're doing things differently, my staff will not have to spend so long on IPSA Online, and I won't have to growl at it. How is that going to translate?

Richard Lloyd: I will start and hand over to Ian. That budget is not solely for IPSA Online; it is for cyber-security and for investment in the database that helps manage what IPSA staff and MPs' staff are communicating about. As Ian said, we have taken a hard look at the basic platform that



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IPSA Online is built on. It was built in a very user-unfriendly way, but we have now got it to a state where we can increasingly make the interface between the user and the system more friendly. That is what that cost, that budget line, is about.

Q22 Thangam Debbonaire: Can you say a little more about what the bit to do with telephony means?

Ian Todd: It is important to us. Obviously, within our MP services team, we spend a lot of time talking to MPs and their offices, fielding calls, both on an ad hoc basis and through a call-booking system. It is a service that, until recently, we have not been able to interrogate to get the metrics that we would expect from call centre technology. My background includes running call centres, and we simply have not had the available information on call answering, understanding call resolution at first instance and linking it with the CRM—the customer relationship management software. I know that is a cause of frustration to MPs and their staff when we receive queries. Sometimes we are not as responsive and timely as we could be. Being blunt, occasionally, queries get lost within the system.

The telephony and the management information that comes alongside that will be linked into a new CRM system that will be launched internally to our staff next week, in fact. There is a major investment in IT, including the back office function, to enable us to do our job more effectively, but as you say, the more we improve it to online, the more you have proactive alerts and reports that are giving you the useful information up front, so you do not have to spend your time calling us and waiting for a response, and the more efficient the system becomes as a whole.

To do that, we have to commit some spending to IPSA Online, to telephony, to customer relationship management and to moving to the cloud. There are some offset savings—the increase could have been more than that, but we have retired quite a large number of old legacy systems. That is also important from a cyber-security perspective, because those systems did not necessarily meet the most modern standards. That is the other area we are investing in. We are conscious of the risk of cyber-security issues at the moment, particularly state-sponsored. That is incredibly important to us and worthy of any investment that we need to make.

Q23 Thangam Debbonaire: The CRM that a lot of us use for our casework allows me, as an MP, to know which of my staff is responding within their proper call-back rates. I can see what call-back rates they have set, and all those sorts of things. Are you saying this will be integrated with the telephony? Is there going to be some sort of magic way that, by the end of this year, I will know that my staff will get a call back within a timely manner? To move on to the cultural change, will that link to the strategy to build the staff engagement in your workforce?

Ian Todd: Yes. It is important that we set out the service level agreements that MPs should be able to expect from us in terms of timeliness of response. That is not always easy: different queries have



different degrees of urgency and complexity. At the moment, there are occasions where we have SLAs for responding to certain types of call, but they are not widely shared. In terms of moving to a more customer-focused—by customer, I mean MPs and their staff in this respect—system that better supports you, it is right and proper that when you send me an email, you should know how long you can expect to wait. The connection of the systems together creates that integrated ability to give you that management information.

Q24 Thangam Debbonaire: In relation to the culture and your strategy to build on staff engagement, diversity and all those things and, importantly, the metrics here, you have said that if you free up our time, that means we can do more of our job and our staff can help more of our constituents. Do you think you will be able to introduce some sort of metric about your staff's understanding of the fact that, yes, you are there for the taxpayer, but the taxpayer is also the consumer of our services? Every time my staff are spending hours and hours talking to you, they are not helping taxpayers. What other metrics might you include in your measurement of success?

Ian Todd: That is really important. It is a question I was asked by the Women and Equalities Committee—about whether we are a regulator or a customer service-based organisation, and whether those two things are compatible with one another. If I may, I will give you the same answer that I gave to them: our legislation is quite clear that we have a regulatory role and that we have a supportive function. The way I would describe it is that our *raison d'être* is to be a regulator. How we choose to deliver that regulation is entirely within our gift. Delivering that in a supportive way so that we create an easy, low-bureaucracy environment where MPs and their staff can get things right first time is by far the most efficient and effective method of regulation, and that is the cultural journey that we are going on at the moment. In terms of the appointment of our MP services teams, dedicated account managers and named account managers per region, there are a number of things that we have already done that start to build that culture of being a support organisation, while not taking away from the fact that we have that important regulatory and oversight role. But as Richard said, compliance with the scheme at the moment is in excess of 99.5%, and where there is non-compliance, the vast majority of those instances are where there are genuinely grey boundaries. They are not instances of people trying to—as the press might popularise it—defraud the taxpayer; they are genuinely questions of, “Is this on the right side of the line or not?”

Q25 Thangam Debbonaire: If I were to push you on that—I will probably come back to you on it next time we talk, outside this meeting—it would be on those metrics and making them very precise and very understood, making things measurable in ways that you can do as CEO or chair but also that staff really understand.

Richard Lloyd: You are absolutely right. The board of IPSA is demanding, and we are looking at, a set of metrics that allows us to understand how we are making progress on some of those hard measures—how quickly we



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are answering the phones and making payments—and how we are changing the culture. So absolutely, that is a key function of the IPSA board.

Q26 Thangam Debbonaire: And diversity in the workforce?

Richard Lloyd: Indeed. In fact, we are meeting about that tomorrow.

Chair: Are there any further questions? Cindy, please go ahead.

Q27 Ms Butts: You touched on something that I was going to ask about the review. It was really just to get your thoughts and, while the review hasn't started, what your sense is of whether this is going to be dramatic change or whether you are going to be tinkering around the edges. Richard and I have spoken previously about moving from a rules-based approach to a more principles-based regime. Do you reckon the system is ready for that? I would just like to hear some thoughts.

Richard Lloyd: It is the right question, Cindy, as always. We have tried tinkering; and we have built a foundation, now, where we are ready to start as if the organisation is about to be relaunched and renewed. We need to think radically about how this could be done in a much more effective way that enables MPs to spend more time serving their constituents and less time doing admin for IPSA. So we are minded to be radical. We have to be careful about the public confidence and perception risks of this, but I think we are now quite close to getting the system to be as effective as it can be, with a very detailed set of rules. We have 650 MPs with offices in very different circumstances, and I think we need to redesign a scheme and an organisation that supports and oversees that, recognises those differences, enables Parliament to be family-friendly and diverse, and ensures that we have got maximum value for public money, but that is less bureaucratic and less cumbersome to operate. So we are thinking as radically as we can, and we would be delighted to come and talk to you about that over the coming months.

Q28 Ms Butts: I have just one more question and I am returning to the issue of MPs' casework. I completely endorse everything Sir Charles has said about the pressures that casework staff have been under and the really positive way in which IPSA has responded. I guess I am just conscious, having read the papers, that you have assumed—I think it's "assumed", only because I haven't seen the detail—that casework demands haven't gone back to pre-Covid levels, but you have gone further than that, almost as if it's doubtful that they ever will, but without any analysis. So I would like some reassurance—I am sure everybody else would—about the assumptions that that is based on but also about what your process, going forward, is going to be in order to monitor and assess what changes and variance there is, if any. And on the basis of that, there is a question mark in my mind as to whether that budget line should be subsumed within the base budget or removed, given that there isn't that analysis.

Richard Lloyd: It is an assumption, but we do meet a large number of office managers every week. We are tracking this closely. Of course, no



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one knows with certainty what a post-Covid world will do in terms of pressure on constituency casework. It does seem to us a reasonable assumption that the level of demand will remain at least until the next election, but obviously, we will respond if that turns out not to be the case, and there are many ways in which we can understand that. We would want to come back to this Committee if that assumption proves to be wrong either way.

Q29 Sir Charles Walker: Given that the economy is going to get more difficult, not less, and that casework is generally linked to people's level of unhappiness and the pressures in their lives, I suspect the pressure is turned up, and the casework will go up. I am more than happy to agree with Cindy that metrics and data are a good thing, and I think they will prove that things are going to get worse, not better.

Ian Todd: We do have data from a select group of MPs around how the casework volumes changed. Of course, predicting whether that will be maintained in the future is more difficult, and none of us has a crystal ball. Certainly, the difficulties in the economy as a whole, increases in utility prices, and the waiting times for NHS treatments, which have been delayed significantly by Covid, are the sorts of things that we know people engaged their MPs about. When we went into the pandemic, none of us expected it to last as long or have the level of impact that it has, and the longer-term consequences of that are reasonably foreseeable, which is why we have committed that funding at least until the end of this Parliament, subject to reviewing it beyond that, of course. If it were to drop back down again, we would not need to make the necessary changes.

Q30 Ms Butts: Can I ask that you go away and think about how you might be able to better demonstrate how you are going to review that, and give us some reassurance? I think that would be really helpful. I accept all you say about the pressures and the strains. Many, many moons ago I myself was a caseworker here in Parliament, so I get the pressures, but I think that, in terms of our duty of managing the public finance, it would be good if we had some further detail on that.

Richard Lloyd: That is very fair. I am happy to do that.

Mark Spencer: You just have to strike that balance between duty of care to the taxpayer and duty of care to those members of staff who have job security issues, many of whom will have a mortgage and so on.

Chair: If we are all happy and there are no further questions, that concludes our public evidence session for today. Thank you both for joining us.